

CONFIDENTIAL

1 July 1964

MEMORANDUM FOR: Assistant for Plans and Development

THROUGH : Chief, Development Branch *W. S. 10 July*

SUBJECT : Developments to Date Concerning [REDACTED] 25X1A
Contract [REDACTED]

25X1A

25X1A

1. On this date, 1 July 1964, the following arrangements were made with [REDACTED] Contracting Officer of the Office of Logistics:

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a. The Giant-Nadir Plotter will be shipped to [REDACTED] for 25X1A storage. The instrument will be delivered directly to [REDACTED] instead of the [REDACTED] since this contract is unclassified.

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- b. The Multiple Image Correlator will be shipped directly to [REDACTED]

25X1A

c. Special Tooling listed on Form 545 dated 18 March 1964 and Electronic components listed on Form 543 also dated 18 March 1964 will be sent to [REDACTED]. All of this inventory is included under Task Order Number 5.

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- d. Optical components listed on Form 543 dated 25 March 1964 will be sent to [REDACTED]. This is included under Task Order Number 6.

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e. The sixty dollars for shipping inventory from Task Order Number 1 is to be handled by the Office of the Contracting Officer [REDACTED]

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[REDACTED] The notation made [REDACTED] concerning paragraph two of [REDACTED] letter CO-979 dated 5 June should be disregarded. Shipping costs (\$60) will be paid by the Office of Logistics from a fund available for this purpose.

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f. Costs for shipping the residual inventory -- as per [REDACTED] letter CO-871 dated 7 May 1964 -- will be handled in the same manner as item (e).

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Declass Review by NIMA/DOD

CONFIDENTIAL

Excluded from automatic
downgrading and
declassification

25X1A

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g. All of the above items will be shipped directly to [REDACTED] with the exception of the Giant-Nadir Plotter which will be sent to [REDACTED] for storage. [REDACTED] will request approval for this method of shipment from Logistics Security before any arrangements are made so that there will be no compromise of security. Notice will be given concerning the status of negotiations, dates of shipment and estimated dates of delivery for all these items. The O/L will attempt to have everything shipped at the same time.

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2. No inventory list per se, exists for Task Order Number 7. This is the film chip (one-inch diameter) preparing device. [REDACTED] agreed to request shipment of all accountable items under this task with the aforementioned equipment and residual inventory items. If it were requested that an inventory list be made, it would probably become rather involved. A request for shipping all accountable items seems to be the simplest and quickest procedure.

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3. [REDACTED] stated, during a meeting at [REDACTED] on 30 June 1964, that in order to terminate Task Orders 3 through 7, an audit of [REDACTED] overhead rates for 1963 would be necessary. In order to expedite this, I called [REDACTED] and requested that this information be made available to our auditors or that this information be prepared for auditing in order to terminate the entire contract as soon as possible. A telephone call was received from [REDACTED] on 1 July 1964. He stated that an audit was made by the Navy. The overhead rates for [REDACTED] fiscal period from February 1963 through February 1964 were found by Navy audit to be equitable for closing out contracts for this period. [REDACTED] of the Navy Audit Office examined the overhead rates and may be contacted at [REDACTED] at the following telephone number (213) 670-9063 after 5 July 1964. This information was passed on to [REDACTED] of the Office of Logistics. [REDACTED] would let me know if there will have to be a formal request made by this office to expedite the audit.

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[REDACTED]
Development Branch, P&DS

Attachment